

Audit and Governance Committee

Meeting to be held on 30 June 2015

Electoral Division affected: All

The Council's Code of Corporate Governance

(Appendix 'A' refers)

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Executive Summary

The Committee at its meeting in April considered a draft revised Code of Corporate Governance for the County Council.

The Committee decided to note the draft revised Code of Corporate Governance and that a final version of the draft Code would be brought to the next meeting of the Committee in June for approval with a recommendation that once adopted the Code will be reviewed on an annual basis.

A draft revised version of the Code of Corporate Governance is presented for the Committee's consideration at Appendix 'A'.

Recommendation

The Committee is asked to consider the further draft revised Code of Corporate Governance for recommendation for approval by the Cabinet and Full Council, and recommend that once adopted the Code be reviewed by the County Council every year.

Background and Advice

The County Council has previously approved and adopted a Code of Corporate Governance. The Code was adopted in January 2008 and has not been reviewed since. A commitment in the Annual Governance Statement for 2013/14 was to review the Code during 2014/15.

CIPFA and the Society of Local Authority of Chief Executives (SOLACE) have provided best practice guidance on establishing a local Code of Corporate Governance: Delivering Good Governance in Local Government Framework document. The Code should articulate the expected standards, principles and values by which Lancashire County Council Officers and Members will operate. There should be clear links between the principles of the Code, and the governance framework of strategies, policies and procedures which underpin the Code.

The Committee in April considered an initial draft of a revised Code and noted that it should be consistent with the principles of the CIPFA/SOLACE Framework which defines six core principles, each supported by sub-principles that should underpin the governance framework of a local authority. The revised Code is in a new format including sources of evidence providing clarity for Members, Officers and stakeholders about how the organisation uses the principles of the Code in practice.

The draft revised Code included an Action Plan and the Committee was informed that this would be updated when the Code was presented for final approval at its meeting in June. The Committee noted the draft revised Code of Corporate Governance for the County Council and asked that any comments should be made to the Director of Governance, Finance and Public Services.

The Committee also noted that a final version of the draft Code would be brought to this Committee meeting for approval with a recommendation that once adopted the Code will be reviewed on an annual basis.

A draft revised Code including an updated Action Plan is set out at Appendix 'A' for the Committee's consideration.

Once approved by the Committee the Code will be submitted to Cabinet and Full Council for approval. The Code will then be widely communicated to members, officers and stakeholders.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with sound arrangements for control and management of risk. An Authority must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk. Failure to develop and maintain a local Code of Corporate Governance and publish an AGS means the Council would be negligent in its responsibilities for ensuring accountability and the proper conduct of public business.

Legal Implications

The Council must adopt a Code of Corporate Governance which has been produced to the standards prescribed in the best practice guidance in order to prepare the Annual Governance Statement (AGS). The best practice guidance is recognised as the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government (2007).

Financial Implications

Good governance leads to good management, good performance and good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. However, there are costs associated with embedding and continuing good governance practices, and as the Council's organisational structures develop, the costs associated with governance need to be monitored to ensure they remain proportionate.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Service/Tel
N/A		
Reason for inclusion in Part II, if appropriate		
N/A		